



General Assembly

***Amendment***

***January Session, 2015***

**LCO No. 8615**



Offered by:

REP. TERCYAK, 26<sup>th</sup> Dist.

REP. RUTIGLIANO, 123<sup>rd</sup> Dist.

SEN. GOMES, 23<sup>rd</sup> Dist.

SEN. HWANG, 28<sup>th</sup> Dist.

To: House Bill No. 6935

File No. 238

Cal. No. 169

***"AN ACT CONCERNING THE LABOR DEPARTMENT."***

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective October 1, 2015*) (a) As used in this  
4 section:

5 (1) "Direct deposit" means the electronic payment of an employee's  
6 wages, salary or other compensation that is deposited into such  
7 employee's account in any bank, Connecticut credit union or federal  
8 credit union that has agreed with the employer to accept such wages,  
9 salary or other compensation;

10 (2) "Payroll card" means a stored value card or other device used by  
11 an employee to access wages from a payroll card account and that is  
12 redeemable at the employee's election at multiple unaffiliated  
13 merchants or service providers, bank branches or automated teller

14 machines. Payroll card does not mean a gift certificate, as defined in  
15 section 3-56a of the general statutes; and

16 (3) "Payroll card account" means an account in any bank,  
17 Connecticut credit union or federal credit union that is directly or  
18 indirectly established through an employer to which transfers of the  
19 employee's wages, salary or other compensation are made and  
20 accessed through the use of a payroll card and that is subject to the  
21 requirements of Regulation E, 12 CFR Part 1005, as from time to time  
22 amended.

23 (b) An employer may offer the use of payroll cards to deliver wages,  
24 salary or other compensation to employees, provided:

25 (1) Each employee has the option of receiving wages, salary or other  
26 compensation by direct deposit and by negotiable check; and

27 (2) The employee voluntarily and expressly authorizes, in writing or  
28 electronically, the payment of wages, salary or other compensation by  
29 means of a payroll card account without any intimidation, coercion or  
30 fear of discharge or reprisal from the employer for the employee's  
31 refusal to accept such payment of wages, salary or other compensation  
32 by means of a payroll card account. No employer shall make the  
33 payment of wages, salary or other compensation by means of a payroll  
34 card account a condition of employment or a condition for the receipt  
35 of any benefit or other form of remuneration for any employee.

36 (c) Prior to an employee electing to receive wages, salary or other  
37 compensation by means of a payroll card account, each employer  
38 using payroll card accounts to deliver wages, salary or other  
39 compensation to an employee, shall provide such employee with clear  
40 and conspicuous notice, in writing, and in the language the employer  
41 normally uses to communicate employment-related policies to his or  
42 her employees, of the following:

43 (1) That payment of wages, salary or other compensation by means  
44 of a payroll card account is voluntary and the employee may instead

45 choose to receive wages, salary or other compensation by either direct  
46 deposit or by negotiable check;

47 (2) The terms and conditions relating to the use of the payroll card,  
48 including an itemized list of fees that may be assessed by the card  
49 issuer and their amounts;

50 (3) The methods available to employees both for accessing their full  
51 wages, salaries or other compensation in lawful money of the United  
52 States without any transaction fee to the employee for such access and  
53 for avoiding or minimizing fees for use of the payroll card;

54 (4) The methods available to employees for checking their balances  
55 in the payroll card account without cost; and

56 (5) A statement indicating that third parties may assess additional  
57 fees.

58 (d) Each pay period, but not more frequently than each week, an  
59 employee with a payroll card shall be allowed to make at least three  
60 withdrawals from the payroll card account at no cost to the employee,  
61 one of which permits withdrawal of the full amount of the employee's  
62 net wages, salary or other compensation for the pay period at a  
63 federally insured depository institution or other convenient location.

64 (e) None of the employer's costs associated with paying wages,  
65 salary or other compensation using a payroll card or establishing the  
66 payroll card account shall be deducted from or charged against the  
67 wages, salary or other compensation delivered to the employee.

68 (f) (1) Neither the employer nor the payroll card issuer shall assess a  
69 fee to the employee for any of the following, regardless of how such  
70 fee is labeled: (A) Issuing the initial payroll card; (B) transferring  
71 wages, salary or other compensation from the employer to the payroll  
72 card account; (C) maintaining a payroll card account; (D) providing  
73 one replacement card per calendar year upon the employee's request;  
74 (E) closing the payroll card account; (F) maintaining a low balance; (G)

75 inactivity or dormancy of the payroll card account for the first twelve  
76 months of inactivity or dormancy; or (H) point of sale transactions.

77 (2) A payroll card may bear an expiration date, provided (A) the  
78 funds in the payroll card account do not expire; and (B) prior to the  
79 expiration date, the employee is provided with a replacement card,  
80 without charge, during the period when wages, salaries or other  
81 compensation are applied to the payroll card account by the employer  
82 and for sixty days after the termination of employment with the  
83 employer.

84 (3) The payroll card account may escheat to the state pursuant to the  
85 provisions of section 3-57a of the general statutes.

86 (g) Each employer shall provide the employee a means of checking  
87 his or her payroll card account balance through an automated  
88 telephone system, automated teller machine or electronically without  
89 cost to the employee twenty-four hours per day and seven days per  
90 week.

91 (h) Neither the payroll card nor the payroll card account shall be  
92 linked to any form of credit and, to the extent technologically feasible,  
93 the payroll card account shall not allow for overdrafts. No fees or  
94 interest may be imposed upon the employee for an overdraft or the  
95 first two declined transactions of each month.

96 (i) The employer shall furnish the employee with a statement of  
97 deductions made from his or her wages, salary or other compensation  
98 for each pay period in accordance with section 31-13a of the general  
99 statutes, as amended by this act.

100 (j) Each employee with a payroll card shall be permitted, on timely  
101 notice to the employer and without cost or fear of reprisal or  
102 discrimination or the assessment of any penalty, to receive his or her  
103 wages, salary or other compensation by direct deposit into a personal  
104 account at any bank, Connecticut credit union or federal credit union  
105 that has agreed to accept such deposits or by negotiable check. The

106 employer shall begin payment by direct deposit not later than fourteen  
107 days after receiving both the employee's request and the account  
108 information necessary to make the deposit, or by check not later than  
109 fourteen days after receiving the employee's request.

110 (k) Consumer protections, including transaction histories and  
111 advanced notice of changes in terms and conditions, shall be provided  
112 to each employee with a payroll card in accordance with Regulation E,  
113 12 CFR Part 1005, as from time to time amended. Notwithstanding the  
114 foregoing, employees shall be provided the option to receive, on a  
115 monthly basis, automatic written transaction histories at no cost to the  
116 employee for a term of at least twelve months or until such option is  
117 cancelled by the employee. Renewal of the option to receive written  
118 transaction histories at no cost to the employee may be required by the  
119 employer upon expiration of the initial twelve-month term, and each  
120 twelve-month term thereafter.

121 (l) The payroll card shall be associated with an automated teller  
122 machine network that assures the availability of a substantial number  
123 of in-network automated teller machines in the state.

124 (m) Wages, salary or other compensation paid to an employee using  
125 a payroll card shall be deposited in a payroll card account that is  
126 insured by the Federal Deposit Insurance Corporation or the National  
127 Credit Union Administration on a pass-through basis to the employee.

128 (n) A payroll card account that is used to receive only employee  
129 wages, salary or other compensation shall be exempt from execution or  
130 attachment (1) by creditors of the employer, and (2) under section 52-  
131 367b of the general statutes subject to the limitations of subsection (f)  
132 of section 52-361a of the general statutes.

133 (o) All notices required by the provisions of this section shall be  
134 clear and conspicuous.

135 (p) Nothing in this section shall be construed to preempt or override  
136 the terms of any collective bargaining agreement with respect to the

137 methods by which an employer provides payment of wages, salary or  
138 other compensation to employees.

139 (q) Nothing in this section shall be construed to restrict the fees that  
140 a payroll card issuer may charge the employer pursuant to a payroll  
141 card agreement between the payroll card issuer and the employer,  
142 provided those fees are not charged to or passed on to any employee.

143 (r) The employer's obligations to the employee pursuant to the  
144 provisions of this section shall cease sixty days after the employer-  
145 employee relationship has ended.

146 (s) The Labor Commissioner, within available appropriations, may  
147 conduct a study of payroll card usage and the actual incidence of  
148 associated fees. Not later than October 1, 2017, the commissioner shall  
149 determine whether such a study shall be conducted, and shall report  
150 such determination, in accordance with the provisions of section 11-4a  
151 of the general statutes to the joint standing committee of the General  
152 Assembly having cognizance of matters relating to labor and  
153 employment.

154 (t) The Labor Commissioner may adopt regulations, in accordance  
155 with the provisions of chapter 54 of the general statutes, to ensure  
156 compliance with this section.

157 Sec. 2. Subsection (a) of section 31-71b of the general statutes is  
158 repealed and the following is substituted in lieu thereof (*Effective*  
159 *October 1, 2015*):

160 (a) (1) Except as provided in subdivision (2) of this subsection, each  
161 employer, or the agent or representative of an employer, shall pay  
162 weekly all [moneys] wages, salary or other compensation due each  
163 employee on a regular pay day, designated in advance by the  
164 employer [, in cash,] using one or more of the following methods: (A)  
165 Cash, (B) by negotiable checks, [or, upon an employee's written  
166 request, by credit to such employee's account in any bank that has  
167 agreed with the employer to accept such wage deposits] (C) by direct

168 deposit, or (D) by payroll card account, provided the requirements of  
 169 section 1 of this act are satisfied.

170 (2) Unless otherwise requested by the recipient, the Comptroller  
 171 shall, as soon as is practicable, pay all wages due each state employee,  
 172 as defined in section 5-196, by electronic direct deposit to such  
 173 employee's account in any bank, Connecticut credit union or federal  
 174 credit union that has agreed with the Comptroller to accept such wage  
 175 deposits.

176 Sec. 3. Section 31-13a of the general statutes is repealed and the  
 177 following is substituted in lieu thereof (*Effective October 1, 2015*):

178 (a) With each wage payment each employer shall furnish to each  
 179 employee, in writing or, with the employee's explicit consent,  
 180 electronically, a record of hours worked, the gross earnings showing  
 181 straight time and overtime as separate entries, itemized deductions  
 182 and net earnings, except that the furnishing of a record of hours  
 183 worked and the separation of straight time and overtime earnings shall  
 184 not apply in the case of any employee with respect to whom the  
 185 employer is specifically exempt from the keeping of time records and  
 186 the payment of overtime under the Connecticut Minimum Wage Act  
 187 or the Fair Labor Standards Act.

188 (b) If the record of hours is furnished electronically pursuant to  
 189 subsection (a) of this section, the employer shall provide a means for  
 190 each employee to securely, privately and conveniently access and print  
 191 his or her record. Any information contained in the record furnished  
 192 electronically pursuant to subsection (a) of this section shall  
 193 incorporate reasonable safeguards to protect the confidentiality of an  
 194 employee's personal information."

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2015	New section
Sec. 2	October 1, 2015	31-71b(a)

Sec. 3	<i>October 1, 2015</i>	31-13a
--------	------------------------	--------